

LB 193 has to do with a very difficult question of taxation and it has to do with the method, with the proper method or the proper methods of taxation of railway cars. Under the current law, the Board of Equalization which does the taxing has the prerogative to handle the taxation of railway cars in more than one way. They can, for example, do it on a mileage basis or they can do it on a timed basis or they can do it on a combination of a mileage-time basis. Earlier in the session, Senator Johnson filed an amendment which basically says that they are going to do the tax allocation on the basis of mileage only, mileage only. My amendment would allow them to go back to the current law and to work one method or the other method or whichever combination of the two methods they would consider to be equitable. Let me go back and talk about some things related to the railway car industry to try to indicate to you why I think some flexibility is probably the wiser State policy in this instance. First of all, we are talking about railway cars; we are talking about the hopper cars, the flatcars, the actual cars going down the railroad. As most of you probably know, as some of you may not know, those cars are not generally owned by the railroad. They are owned by, for a number of reasons, by individual companies and one company, for example, may own a whole gross of boxcars and another company may specialize in flatcars and a third company may specialize or may have, may lease to the railroads a whole number of different kinds of cars, hopper cars for example. The way these different kinds of railway cars are used is going to make a difference as to the incidents of the tax upon the different kinds of cars. For example, if you use a mileage system, you would have a certain kind of tax incidents but when you use a time-basis system, it may be completely different. Some types of cars, for example, a hopper car that carries grain may be in the State for a long period of time and out of the State for a small period of time. Other cars may travel great distance in the State but really not be in the State for as long a period of time. So the basic difference in the types of cars and how the tax would affect the different types of cars is one of the reasons that I'm asking for some flexibility. I might remind you going back a little bit more that what we're talking about here basically is business equipment. As you know, there is no tax in Nebraska on business inventories. Everybody that, everybody that has a business that's heavy in inventory, business inventories has no tax but those who have a lot of business equipment, such as, these rail car companies and if they have a lot of it, they're very heavily taxed, despite the fact that farm equipment, for example, is not taxed at all. So I think the first thing to remember is that we're talking about an area of business that under the current structure of the law is heavily taxed relatively speaking to begin with. Now let's talk a little bit about two of the special problems that I think are incidental to